

49132

AB

COPY NO. 33

OFFICE OF CURRENT INTELLIGENCE  
DAILY DIGEST OF SIGNIFICANT TRAFFIC

Date: WARR 23 1951

- NOTE:
1. This summary of significant reports has been prepared for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current traffic in CIA or in the Office of Current Intelligence.
  2. Comment represents the preliminary views of the responsible analysts and not necessarily the final view of the Office of Current Intelligence.
  3. Marginal letter indications are defined as follows:
    - "A" - items indicating Soviet-Communist intentions or capabilities
    - "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities
    - "C" - other information indicating trends and potential developments

**State, JCS declassification & release instructions on file**

DEPUTY FOREIGN MINISTERS' CONFERENCE

"C" French Popular Reaction. French public reaction to the Deputy Foreign Ministers' Conference has been one of comparative apathy. Socialist leaders have shown privately a strong hope that a Foreign Ministers' Meeting will be held, permitting modification of the Brussels decisions on German rearmament. Nearly all press comments reflect harmony among the Western Powers, with the Communist press referring to US dictation to France and the UK. If, however, present talks fail - without a break in tripartite harmony - fear would become an important factor in public opinion. Although there is not now any widespread fear of imminent war, immediately after a break-up of the Deputies' meeting or of the Foreign Ministers' meeting another wave of near-hysteria such as occurred in June and December 1950, would probably break out. (C Paris 5578, 21 Mar 51; U Paris 5609, 21 Mar 51). COMMENT: Failure of present Big Four efforts to relieve East-West tension would not result in sufficient popular reaction to force any important modification of French Government policies supporting Western rearmament.

SECTION 1 (SOVIET)

"B" USSR. Soviet Anti-Epidemic Unit Arrives in Korea. Pyongyang radio announced that a ten-man Soviet anti-epidemic unit arrived in Sinuiju on 20 March and received an "enthusiastic welcome". (R FBID, 22 Mar 51). COMMENT: Chinese Communist and North Korean troops opposing UN forces in Korea are known to have suffered from typhus and other diseases.

"C" PRAVDA: Mao Presently in Peiping. On 21 March Pravda reported that Mao Tse-tung is now in Peiping. In this connection, Pravda also cited a TASS dispatch from Shanghai which claimed that a Tibetan lama had visited Mao on that day to convey the loyalty of the Tibetans. (U NY Her. Trib. 22 Mar 51). COMMENT: Pravda does not normally single out for mention the routine activity of a foreign governmental official in his own capital. If true, this report would identify Mao's presence in Peiping but may be an effort to spike rumors that Mao is being held prisoner in Moscow.

25X1C

25X1C "C"

EASTERN EUROPE. ALBANIA. Another Rumor of Bomb Incident.

25X1C

cording to rumors concerning the "attempted assassination of Hoxha at the Soviet Legation in Tirana" 18 Soviets lost their lives in the ruin of the building. such an operation could have been engineered only by dissident Communists as the Soviet Legation was probably the most closely guarded area in Tirana, and the persons responsible could only be among those thoroughly

TOP SECRET



trusted by the Soviets. He feels that the rumors of a possible anti-Cominform movement in Albania favorable to a rapprochement with Tito lend support to this theory. (B-6). COMMENT: The above rumor should be treated with reserve until it is confirmed, although it is probably another version of the original factual bombing at the Soviet Legation on 19 Feb.

25X1A

"B" FINLAND. Lack of Concern Over Cabinet Crisis. The US Minister in Helsinki reports that the Social Democratic Ministers in the Finnish coalition Cabinet have presented their resignations. However, there has been no indication of their acceptance and comments about the situation indicate a lack of serious concern. The Minister's informants believe that a solution to the problem may be found during the course of the Easter holiday. (S Helsinki 499, 21 Mar 51). COMMENT: The Minister's report disproves a report 21 March that the entire Cabinet had resigned. (See O/CI Daily Digests of 21 and 22 Mar 51).

"B" HUNGARY. Soviet Air Activity Increasing. Reliable reports from Budapest state that Kunmadaras airfield (in Eastern Hungary) is to be turned over to the USSR. Work begun in 1949 to expand the field to include an 8,200 foot concrete runway is reportedly being rushed to completion. Increased air activity over Budapest including jet aircraft has been observed recently. (S AA Budapest 284, 16 Mar 51).

"A" POLAND, CZECHOSLOVAKIA, EAST GERMANY. East Germany Returns Railway Cars to Poland and Czechoslovakia.

25X1C

25X1C

COMMENT: Numerous reports since mid-December 50 have indicated an unusually large eastward movement of empty freight cars from the Soviet Zone of Germany. The movement appears to be continuing, although at a somewhat reduced rate. Since late January 51 an estimated 3,000-3,500 such cars have departed empty from the Soviet Zone. is the first indication that primarily foreign cars held in the Soviet Zone of Germany were involved.

25X1C

"C" Peasant Party Deputies on Trial. Public prosecutions are reported to be proceeding against five former United Peasant Party (ZSL) members of the Polish Sejm, according to Sejm Speaker Wladyslaw Kowalski. The nature of the charges have not been disclosed, but are believed to have been brought on because the five are unsympathetic toward the official policy of liquidating kulaks. (U NYT, 23 Mar 51). COMMENT: Last fall it was reported that fourteen members of the Sejm, all former members of the non-Communist Polish Peasant Party were arrested, but released after agreeing to resign from the Sejm. In December 1950, at a meeting of the Supreme Council of the ZSL, it was revealed that an extensive purge of

TOP SECRET

TOP SECRET

members had been completed. This revelation was followed in January and February 1951 by trials of various individuals allegedly working against the agricultural collectivization program. These events and the current trial of the former ZSL Sejm Deputies suggest that there has been little ideological success so far in convincing the peasant population of the benefits to be derived from collectivization, and possibly that the Communist Party is preparing for a new agricultural collectivization drive.

"C" YUGOSLAVIA. Amelioration of Human Rights. Commenting on the Yugoslav Government's attitude toward human rights, Embassy Belgrade notes that, while the regime continues to impose limitations, there is distinct progress discernible in certain fields, specifically religion, judicial practices, and police methods. Evidences of this progress are: (1) the appearance of new shrines and crucifixes in the Catholic areas of Vojvodina area in the past few weeks; (2) the free and unrehearsed debate in the recent session of the Yugoslav Parliament; (3) Yugoslav requests for use in university libraries of American novels and cultural books depicting American life; (4) a recent Borba editorial sharply criticizing local peoples' committees for arbitrary abuse of citizens' rights. The editorial specifically pointed to the recently enacted Penal Code which provides for the punishment of officials who deny citizens the right to appeal, to make objections, or to file requests. Since local bureaucrats are among the chief violators of the Yugoslav peoples' rights, the Embassy feels that the curbing of these officials will facilitate an improvement in human rights. (C Belgrade 1333, 21 Mar 51). COMMENT: While some gestures have been made to improve human rights, the Yugoslav regime still retains its basic totalitarian approach toward this problem.

TOP SECRET



SECTION 2 (EASTERN)

"C" GREECE. Prime Minister Venizelos Considers Political Merger. Prime Minister Venizelos informed US Ambassador Pourifoy that he is exploring the possibility of merging his Liberal Party with the National Progressive Union (EPEK) of Plastiras, and forming a new government based on this union. Venizelos hopes to effect the Liberal-EPEK fusion on the basis of Plastiras as Prime Minister and himself as Chairman of a United Party and Minister of Foreign Affairs. According to this plan general elections would be held in August. (C Athens 3098, 21 Mar 51). COMMENT: Fusion of Venizelos' Liberals with Plastiras' EPEK would be a healthy development in Greek politics because it would reduce the multiplicity of political parties and at the same time provide a relatively strong central party. Plastiras, however, is apparently confident of his strength without outside support. Furthermore he would be most unwilling to agree to an arrangement which would deprive him of all political power, prior to the municipal elections. Further development of the plan depends undoubtedly upon the outcome of the municipal elections, scheduled for 15 April, which are expected to clarify the relative position of the various political parties.

"C" TURKEY. Turks Switch Marshall Plan Ministry. The US Consul General in Istanbul reports that the Turkish Foreign Minister has officially notified him of a Cabinet decision to transfer Marshall Plan coordination functions from the Ministry of State to the Ministry of Foreign Affairs. The Foreign Minister stated that the Turkish Government was not satisfied with the functioning of the Ministry of State, and further observed that the question of Turkish Marshall Plan administration was strictly an internal matter on which ECA should not be expected to be consulted in advance. (U Istanbul 362, 19 Mar 51). COMMENT: The transfer of authority probably represents a political maneuver aimed at strengthening the power of the top leaders of the Democratic Party, one of whom is the Foreign Minister. The US Mission has considered the previous arrangement satisfactory. It may be anticipated that the Foreign Ministry will realize eventually that it has taken on more than it can carry.

✓ "B" EGYPT. Increased Governmental Concern over Iranian Developments. According to US Ambassador Caffery in Cairo, there is an increasing concern in top circles in and out of the Government over developments in Iran. (S Cairo 968, 22 Mar 51). Caffery reports that, while government officials are inclined to blame the British oil company (AIOC), they and opposition leaders are genuinely alarmed at the possibility of a re-emergence of the assassination-type of politics by the Moslem Brotherhood (Ikhwan) and that this, with the help of the Communists, will be directed against themselves. Caffery adds that the Egyptian political leaders are at a loss to know how to deal with this situation. (S Cairo 968, 22 Mar 51). COMMENT: While recent events in Iran will hardly lead to public violence in Egypt, the growing activities of the Moslem Brotherhood during the past year and the

TOP SECRET

~~It was~~ increased dissatisfaction with the government--as well as its long-term antipathy toward foreign influence in Egypt--furnish an adequate basis for the concern that the Brotherhood might use this opportunity to start its terrorist activities in Egypt again.

"B" ISRAEL-SYRIA. Tense Israeli-Syrian Border Dispute. Relations between Israel and Syria became severely strained during the past week as a result of Israel's recently initiated Lake Huleh drainage project in the demilitarized Syrian-Israeli border zone. Israel has so far ignored an order of the Mixed Armistice Commission (MAC) to cease work and negotiate a settlement of the dispute with Syria. The Syrian Government insists that a work stoppage is the quid pro quo for a negotiated settlement and has threatened army intervention unless Israel complies. A flare-up reportedly occurred on 15 March when Arabs on the Syrian side of the Jordan River opened fire on Israelis who had crossed the river with a tractor. (S Jerusalem 169, 15 Mar 51; S Tel Aviv 578, 22 Mar 51).

COMMENT: The present border dispute between Syria and Israel is potentially more dangerous than the frequent Jordan-Israel border clashes where leaders in both countries are genuinely interested in keeping friction at a minimum. Syria has thus far shown considerable restraint, but the unstable political situation in Syria coupled with the Army's political dominance suggest that if sufficiently aggravated, the Syrian authorities would have difficulty in checking precipitate military action. Israel may wish to achieve a fait accompli in regard to this particular project, but would compromise if the situation became sufficiently serious to threaten hostilities.

"C" INDOCHINA. Bao Dai Resigns Himself to French Domination. In an interview with Minister Heath, Bao Dai called General De Lattre a "necessary evil": ~~his~~ <sup>there will be no</sup> military leadership is necessary, but ~~there will be no~~ solution of French-Vietnamese problems under De Lattre's authority. The Emperor believes that it would be useless to press for Vietnamese control over their ~~own~~ <sup>the Emperor's</sup> armed forces or to protest French incursions on Vietnamese sovereignty at this time, and that De Lattre's conception of ~~the~~ <sup>Bao Dai's</sup> role is that of a "protectorship sovereign" on the order of the Sultan of Morocco. Bao Dai indicated his belief that tentative arrangements for the defection of as many as 15,000 Viet Minh troops in a body will probably fail, ~~due to~~ <sup>the</sup> likelihood that De Lattre will insist that they surrender directly to French authorities rather than to Bao Dai, a condition unacceptable to the potential defectors. The Emperor states that he must therefore "efface himself" and make no "compromising" public appearances at this time. <sup>Heath</sup> comments that, while Bao Dai is probably right in believing that he cannot successfully resist the tendency of De Lattre's advisors to maintain Vietnam as a closed preserve of the French, and that charges of French ineptitude and excessive control, the Emperor's decision to withdraw to his hill-station headquarters at Dalat is "too easily arrived at" (S Saigon 1672, 20 Mar 51).

"C" French Touchy re Pro-US Feeling. Friction has developed between French and Vietnamese authorities in Hanoi. Tonkin Commander Linares protested to the Vietnamese that recent designation of Vietnamese names for

TOP SECRET



all the streets in Hanoi was an "unfriendly gesture". US Consul Hanoi is worried how General De Lattre will take subsequent Vietnamese plans to name one of the streets Pho My-Quoc (America Street). (R Hanoi, 21 Mar 51). COMMENT: French sensitiveness toward US presence in Indochina and Vietnamese efforts to play off the US against the French have been recurrent themes in the Indochina situation.

"A" Possible Viet Minh Attack in South Vietnam. Bao Dai states that while it seems fairly certain that the main Viet Minh military effort will be made in Tonkin, there are some indications that a Viet Minh attack involving 35-40,000 troops might be made in the south in order to take advantage of the French tactic of drawing all possible reserves from this area. Cochinchina Commander Chanson said that it was quite possible that attacks would be made in the north and south simultaneously, but he was confident of being able to withstand it despite inevitable losses. (S Saigon 1672, 20 Mar 51).

"C" NEW ZEALAND. Waterfront Strike May Be Prolonged. Labor Minister Sullivan stated on 20 March that the waterfront strike might continue for several weeks. Sullivan warned the Communist-influenced Waterside Workers Union that "everyone is sick and tired" of continual disputes and stoppages engineered by Union leaders in their "war upon the people" and challenge to the Government. The Labor Minister then stated that "the Government is determined to see a new and efficient system operating on the waterfront, and to obtain this no effort will be spared." He emphasized that the Government would not recognize the present Waterside Workers Union or its leaders. (R FBIS, 22 Mar 51). COMMENT: Judging by this statement, the Government is clearly determined to break the Waterside Workers Union but is aware that this task may require time. A new waterside union at a small port on the North Island has already been recognized. The Government will encourage this trend.

25X1C "A" CHINA. Tsingtao Becoming Busy Air and Naval Base. According to a Hong Kong press report, recent arrivals from North China allege that (1) Tsingtao is becoming a busy air and naval base with jet aircraft in flights over the city and Chinese Communist naval craft engaged in constant patrols in the harbor, (2) Russian ships are observed in the harbor, (3) frequent air raid drills are held, and (4) Panamanian vessels are delivering ammunition from Europe as well as rubber, steel plates, and rails. (U Hong Kong StaShip, 220030Z Mar 51). COMMENT: [REDACTED] Tsingtao is being utilized as the principal training center of the Chinese Communist navy. The area was restricted "for military purposes" last November. Other sources confirm the presence of Russian and Panamanian shipping in the harbor, as well as the holding of air raid drills, although apparently the drills consist mainly of sounding the sirens while the people continue about their business.

"C" New Chinese Ambassador to Moscow. Peiping radio announces that CHANG Wen-t'ien has been appointed as Communist China's new Ambassador to

TOP SECRET

the USSR, succeeding WANG Chia-hsiang, who has served since October 1949 and has been recalled to become Vice Foreign Minister. (UP London, 21 Mar 51).  
COMMENT: Nothing will be changed except the name of the Ambassador. CHANG, like WANG, is a longtime CCP leader, a member of its Politburo, a protege of the Comintern and trained in the USSR, temporarily eclipsed in the early 1940s but re-emerging to prominence in 1949.

"C" KOREA. Soviet Medical Unit Arrives in Korea. Radio Pyongyang has announced the arrival of a Soviet anti-epidemic medical unit in Sinuiju on 20 March. The unit is to assist at various places behind the battlefield in those health problems that have arisen as a result of the "War for the liberation of the Fatherland". (R FBIS, 22 Mar 51). COMMENT: While the NK radio has previously welcomed the Chinese Communist "volunteers" and medical units from the European Satellites, this is the first occasion on which personnel assistance from the USSR has been acknowledged.

25X1C

"A" North Korean Defensive Plans. [REDACTED]  
[REDACTED] North Korean Police Chiefs in Pyongyang were informed by a North Korean colonel that Communist forces would fight a delaying action between the 39th and 40th Parallel. The colonel indicated a North Korean fear of a UN amphibious operation at Wonsan and described enemy forces as being in position to trap any such landing force. [REDACTED]

25X1C

COMMENT: Current combat intelligence from the US 8th Army in Korea indicates that the Communists intend to defend the 38th Parallel. Supporting this view is the recent identification of elements in the line north of Seoul of the Chinese Communist Third Field Army, formerly in the Wonsan-Hamhung area.

25X1C

TOP SECRET



## SECTION 3 (WESTERN)

25X1C

"C" GERMANY. HICOM Occupation-Defense Budget Protested. In a statement to the press on 19 March Federal Government Minister of Economics Schaeffer strongly protested the HICOM occupation-defense budget for the fiscal year 1951-52. Schaeffer's objections, which are widely supported throughout the Federal Republic, are based principally on (1) the size of the amount involved, (2) the unilateral way in which the Allies allegedly arrived at the figure, and (3) the purposes for which the sums are to be expended. Claiming that while west Germans are desirous of contributing to Western defense, Schaeffer asserts that they will lose the incentive to make a contribution if the stability of the social structure is jeopardized by excessive taxation to meet the Allied bill. (C Bonn 655, 21 Mar 51). COMMENT: The Allied request for occupation-defense funds probably will be the subject of a full-dress Bundestag debate and, since a responsible official of the Federal Government has joined in the protests, may encounter strong opposition.

"A" FRANCE. French Communists Seek General Strike to Block Rearmament. According to a left wing French Christian Workers' Confederation (CFTC) source, top leaders of the French Communist Party (PCF), and the Communist-led General Labor Confederation (CGT) have plotted ultimate conversion of the mounting strike wave into a nation-wide general strike for a cessation of arms production and the resignation of the Queuille Government. According to CFTC leaders, the Communists have succeeded, contrary to the expectations of CGT, CFTC, and Socialist-

TOP SECRET

oriented Force Ouvriere (FO) leaders, in approaching achievement of a general political strike movement "dangerous" to this Government and "comparable to the 1936 strike period". A hastily assembled Government board decided yesterday that the cost of living has risen 12.5% since last August, and a substantial wage increase for all employees appears certain. (S Paris 5606, 21 Mar; NY Times, 23 Mar 51). COMMENT: While the current strike movement is generally considered to be based on legitimate economic grievances and has gained sufficient headway to give the Communists their best opening in France since 1948, failure of the PCF's over-all strategy can be expected as a result of firm Government counter-measures and especially a break-down in labor unity of action. A substantial general wage increase would be an effective blow to the PCF's plans, but would have serious repercussions on the French economy and would greatly increase the difficulties of the middle-of-the-road coalition leaders in preparing for the national elections.

"C" DENMARK. Compromise on Anti-inflation Legislation. The Conservative-Moderate Liberal Government and the Social Democratic and Radical Liberal parties, influenced by growing public discontent with parliamentary inaction and by the politicians' desire to present concrete accomplishments in the Upper House election campaign, reached a compromise regarding legislation designed to counteract inflationary pressures in Denmark. The compromise bills call for an increase in (1) excise taxes on alcoholic beverages, (2) rail and postal fares, and (3) prices on footwear and sugar; added import restrictions; compulsory savings; a restriction of profits, and more rigorous price controls. The measures will not have any major economic effect, but the compromise increases the prospects for the incumbent government lasting at least until the fall of 1951. (C Copenhagen 789, 20 Mar 51). COMMENT: The delicately-balanced distribution of parliamentary seats has caused the parties to avoid any commitments which might allow their opponents to gain a propaganda advantage. The proposed measures will have little effect on the increasing price of imports and on the inflationary pressure of wage increases--the two greatest problems confronting the Danish economy.

"C" UNITED KINGDOM. Attitude on Crossing 38th Parallel Softened. Minister of State Younger stated in Commons on 22 March that: (1) a decision forcing the military commander in Korea to conform to an imaginary line might prejudice military resistance to aggression; (2) a general advance into North Korea, on the other hand, would hold political as well as military significance; and (3) any placing of definite limits on the advance might better await indications from the Chinese that they are willing to reach a settlement. (U NY Times, 23 Mar 51). COMMENT: This statement endorsing limited UN advances beyond the 38th parallel only slightly enlarges upon the UK Government's position

TOP SECRET



as indicated in recent months. The Government never stated that the parallel should not be crossed, but did insist that the UK should be consulted prior to such a crossing. The statement is intended as reassurance to the British public that there is no intention of a general advance toward the Manchurian border, which many in the UK fear would prejudice chances for a settlement with China. The reference to the Chinese attitude reflects the gradual abandonment of the somewhat feverish demands for negotiations with Peiping made on the UN by Britain before the present counteroffensive.

"B" UNITED KINGDOM. Foreign Office Still Planning Next Move in Iranian Oil Dispute. Although reluctant to discuss in specific terms its proposals under consideration, the UK Foreign Office has now concluded that Iran must be offered more favorable terms than the Anglo-Iranian Oil Company's 50-50 profit sharing proposal. It has also accepted the fact that nationalization has now become Iranian law and no longer places any hope in a dissolution of the Majlis. (S London 5029, 21 Mar 51). COMMENT: Two important factors still missing from the picture of British intentions are the company's attitude on bettering its previous 50-50 offer and the amount of pressure the Foreign Office is now willing to exert on the company to that end.

"C" Iraq Petroleum Company Willing to Offer 50-50 Profit Sharing Arrangement. The manager-director of the Iraq Petroleum Company on his visit to Baghdad 1-10 April is prepared to discuss the opening of negotiations for a 50-50 profit sharing agreement with Iraq. However, the UK Foreign Office feels that the Iraq Petroleum Company's negotiations may encounter complications because of the necessity of seeking agreement from the Company's French and American partners. (S London 5029, 21 Mar 51). COMMENT: The outcome of any agreement the Anglo-Iranian Oil Company may reach with Iran could impede these negotiations by making Iraq insistent on terms more favorable than a 50-50 arrangement.

"B" Parliamentary Criticism Complicates Anglo-Egyptian Relations. The Cabinet is reviewing British proposals on Anglo-Egyptian defense in the light of the mounting Parliamentary opposition to the Government's "concessions" to Egypt that was revealed in the recent debates on the Anglo-Egyptian financial agreement. Parliamentary criticism also hit at Egypt's continuing ban on Suez Canal traffic bound for Israel. (S London 5043, 21 Mar 51). COMMENT: The Anglo-Egyptian defense talks adjourned before Christmas to await the crystallization of a British military survey of defense problems in the Middle East into proposals that could be presented to the Egyptian Government. The absence of inflammatory statements by either side and the indication that some UK concessions might be made to the Egyptian demands for British evacuation of the Suez Canal Zone put a gloss of

TOP SECRET

optimism on Anglo-Egyptian relations, which are now to be tested. The furor caused by the announcement of the terms of the financial agreement must have surprised the Government because the terms are very similar to those of past agreements. The Egyptian restrictions on Suez Canal traffic have become accepted by the Government as one of the facts of life in the Middle East to which its policy must be adjusted. With new arrangements for a British Suez base necessary before the expiration of the Anglo-Egyptian treaty in 1956, both the military and the Foreign Office planners now realize that some concessions to Egyptian sensibilities must be made. The immediate danger lies in the possibility that any criticism of Egypt in Parliament may so enrage Egyptian public opinion that the Egyptian Government will be unable to agree to any proposals short of complete British evacuation.

"C" LATIN AMERICA. Chile and Venezuela Renew Relations. Chile and Venezuela renewed diplomatic relations on 21 March, as a result of Peruvian good offices. A formal agreement has been signed providing for the naming of diplomatic representatives within one month. (U Lima 468, 22 Mar 51). COMMENT: Chile did not recognize the Junta installed immediately following the Venezuelan revolutionary coup in November 1948 because of a dispute concerning safe-conduct for Venezuela's ex-president Betancourt. Uruguay is now the only government not recognizing the Venezuelan Junta.

TOP SECRET

11



39

SECRET

49132a

DAILY DIGEST SUPPLEMENT

MAR 23 1951

Not for dissemination outside O/CI and O/NE.

SECRET

SECRET

(S/S Cable Supplement not for dissemination outside O/CI and O/NE)

OFFICE OF CURRENT INTELLIGENCE  
DAILY SUMMARY OF SIGNIFICANT S/S CABLE TRAFFIC

23 March 1951

SECTION 1 (SOVIET)

"B" YUGOSLAVIA. Yugoslav Minister to Greece Views on Possibility of War.  
In a recent conversation with US Ambassador Peurifoy in Athens Yugoslav Minister to Greece Yovanovich stressed his government's conviction that Yugoslavia would not remain neutral in any European war. He asserted that the Yugoslav Government would view a Soviet attack on Austria, Germany, or Greece as inevitably involving Yugoslavia and that Yugoslavs would fight to the bitter end in defense of their independence. Yovanovich stated that he was of two minds with respect to an immediate outbreak of war. He felt that the USSR would be deterred by Satellite unrest and discontent but, on the other hand, the USSR could hardly afford to postpone an attack against the West since time was on the side of the latter with regard to rearmament. (S S/S Athens 3121, 22 Mar 51). COMMENT: In February Tito made two important statements regarding Yugoslav neutrality. In a public speech to the Guards Division in Belgrade, Tito declared that the Party had determined its course in case of aggression anywhere in Europe since a localized European war was most unlikely.

25X6

25X6

Tito asserted that he would participate with all his force in opposing aggression anywhere in Europe, to the same extent as other UN nations. Ambassador Allen has stated, however, that he is not yet prepared to express full confidence that Tito will not attempt to remain neutral in case of war in Europe.

SECTION 2 (EASTERN)

"B" PAKISTAN. Bunche as UN Representative to Kashmir. Sir Zafrullah Khan, Pakistani delegate to the UN, when informed  
that the US considered Ralph Bunche to be the most suitable available candidate for UN representative to Kashmir, stated that his government would be most distressed if Bunche were named as candidate and that he himself would be prepared to "implore Secretary of State on bended knee" not to propose Bunche. He further stated that, although he himself had no doubt as to Bunche's objectivity in the Palestine settlement, this view was not generally shared in Pakistan. (C S/S New York 1314, 21 Mar 51). COMMENT: The reaction of Pakistan springs in part from the feeling of

25X6

25X6

SECRET



~~SECRET~~

Pakistani officials that Bunche was not objective in the Palestine case but also from the fact that Pakistan is sensitive to reactions from the Moslem world, in which it desires to occupy a prominent position.

## SECTION 3 (WESTERN)

"C" BRAZIL. Argentina's Attitude Makes Hemisphere Defense Plan Unacceptable to Brazil. Brazil's Foreign Minister Neves informed our Ambassador that Foreign Minister Paz of Argentina said that Argentina would not contribute "one soldier, one ship, one airplane, or any material aid" to a proposed Inter-American Defense Plan except within the limits of Argentine territory or territorial waters. Neves added that, in view of this, Brazil cannot accept the plan as drawn up for the Atlantic patrol since the burden would apparently fall on Brazil. He also said that the Uruguayan Ambassador to Brazil, on instructions from his Government, informed Neves that Uruguay would not accept any defense plan which places Uruguay within the orbit of Argentine military responsibility. (S S/S Rio 1207 20 Mar 51). COMMENT: It is true that Argentina is not inclined to send any of its armed forces outside of its own territory. Even this, however, would permit some Argentine patrol of sea lanes in the South Atlantic, although not so far from the Argentine coast as would be desired. If Neves is sincere in his statements, the failure of Brazil--and possibly Uruguay--to go along with the defense plans as now constituted, would be an added deterrent to a speedy and successful conclusion of the Foreign Ministers' Meeting in which these plans will be discussed. On the other hand, it is possible Neves is using this statement as a lever to gain more ships from the US.

SECRET

**TOP SECRET**

UNCLASSIFIED when Approved For Release 2001/09/07 : CIA-RDP79T01146A000100200049

**CONTROL AND COVER SHEET FOR TOP SECRET DOCUMENT**

DOCUMENT DESCRIPTION		REGISTRY
SOURCE		CIA CONTROL NO. 49132
DOC. NO.		DATE DOCUMENT RECEIVED
DOC. DATE		LOGGED BY
COPY NO.		
NUMBER OF PAGES		
NUMBER OF ATTACHMENTS		

**ATTENTION:** This form will be placed on top of and attached to each Top Secret document received by the Central Intelligence Agency or classified Top Secret within the CIA and will remain attached to the document until such time as it is downgraded, destroyed, or transmitted outside of CIA. Access to Top Secret matter is limited to Top Secret Control personnel and those individuals whose official duties relate to the matter. Top Secret Control Officers who receive and/or release the attached Top Secret material will sign this form and indicate period of custody in the left-hand columns provided. Each individual who sees the Top Secret document will sign and indicate the date of handling in the right-hand columns.

[illegible]

NOTICE OF DETACHMENT: When this form is detached from Top Secret material it shall be completed in the appropriate spaces below and transmitted to Central Top Secret Control for record.

DOWNGRADED		DESTROYED		DISPATCHED (OUTSIDE CIA)	
TO		BY (Signature)		TO	
BY (Signature)		WITNESSED BY (Signature)		BY (Signature)	
OFFICE	DATE	OFFICE	DATE	OFFICE	DATE
Approved For Release 2001/09/04 : CIA-RDP79T01146A000100200001-9					

TOP SECRET